

St. Catherines, Thorold to Port Colbourne with an extension to Niagara-on-the-Lake and Niagara Falls. There are sixty-two miles in that railway. The second one is known as the Toronto-Suburban Railway, which extends from Guelph to Toronto. The third is the Toronto Eastern extending, the constructive portion of it—

Mr. KYTE: Are these tram lines or electric?

Mr. HENRY: Electric. The Toronto Niagara and St. Catherines, and the Toronto Suburban are being operated, but the Toronto Eastern is only partly constructed.

Mr. MILNE: How long is the Toronto-Guelph line?

Mr. HENRY: The Toronto-Guelph is fifty-eight miles.

Hon. Mr. GRAHAM: You will find the Canadian Northern Electric lines on page 51.

Mr. HENRY: Yes, with the exception of the Toronto-Eastern. There is included in this year's programme, an amount of \$1,500,000 intended to be expended upon these three lines. The Niagara-St. Catherines and Toronto Railway is partly a street railway and partly an inter-urban railway. The street railway end of it, or what you might call the urban end of it was operated under a number of franchises. I think there were ten or fifteen in the city of St. Catherines, seven or eight in Niagara-Falls, and one or two in Merriton. Some of these had expired, and the proposal now is to make arrangements with the various municipalities whereby the urban service will be rehabilitated where necessary, and extended where necessary, and new franchises entered into with the municipalities on the basis of service at cost.

Hon. Mr. GRAHAM: Did you get rid of the old franchises?

Mr. HENRY: In some cases. To date an arrangement has been effected on that basis with the city of Niagara Falls. That has been approved, has gone through the Council and we are now negotiating with the city of St. Catherines along the same lines. But these negotiations are still in progress. That will mean for a period of three years an expenditure of perhaps \$2,500,000, fifty per cent of which will be expended on the urban and fifty per cent on the inter-urban. The inter-urban development will give an electric service running from Port Dalhousie to Niagara Falls and to Port Colborne.

Sir HENRY DRAYTON: This \$2,500,000, is all on the Niagara line?

Mr. HENRY: That is the estimated expenditure to rehabilitate the urban and inter-urban lines.

Sir HENRY DRAYTON: Line or lines?

Mr. HENRY: Both.

Sir HENRY DRAYTON: That is all the Niagara and St. Catherine lines?

Mr. HENRY: All the Niagara and St. Catherine lines. Fifty per cent is for the city service and fifty per cent for the other, the inter-urban. An arrangement has already been effected with the city of Niagara Falls on the basis of service at cost.

Sir HENRY DRAYTON: When you say "service at cost," do you mean service at cost plus?

Mr. HENRY: Plus six per cent, and that cost would include a certain amount to amortize the principal in two or three years.

Sir HENRY DRAYTON: What are the prospects of getting an arrangement with St. Catherines?

Mr. HENRY: They seem to be progressing.

Sir HENRY DRAYTON: There was some delay?

Mr. HENRY: There has been some difficulty.

[Mr. Henry.]